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## ENGAGEMENT LETTER: BOOKKEEPING AND TAX PREPARATION

This letter is to set forth the terms and objectives of DENISE EDWARDS DBA Bookkeeping & Tax Professionals proposed engagement and the nature and limitations of the services we will provide to you and/or your company \_\_\_\_\_, until mutually changed.

### WORK TO BE DONE

Scope Limitations: Our engagement is limited to the period and the accounting services indicated here within. We will not audit or review your financial statements, or any other accounting documents and information you provide, in accordance with generally accepted auditing standards. Accordingly we ask that you not in any manner refer to this as an audit or review. Nor will we otherwise verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility of to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot, therefore be relied upon to make disclosures of such matters.

### DENISE EDWARDS DBA BTP will:

Beginning January 1, 2015, we will perform the following selected services for your company with the assistance of a computerized accounting program (see fee schedule) as well as other services as mutually agreed by the parties hereto:

- Reconcile checking account with the bank statement each month for proper account balance and to identify any errors. We will make correcting entries directly to and identify the source of each adjustment. We will tell you of these adjustments and make you aware of any corrections.
- Review, analyze and reconcile general ledger accounts for accuracy and confer with you regarding any items not fully understood.
- Prepare and record all necessary journal entries to reflect correct accounting records.
- Prepare and present Financial Statements.
- Prepare payroll and vendor checks if applicable.
- Review Sales Journal and prepare Sales Tax Returns monthly or as required by the State Comptroller.
- Review and reconcile Payroll records and Employment Tax Returns quarterly and annually.
- Prepare and process Form 1099 and 1096 annually.
- Prepare and process annual Income Tax Returns.
- Prepare annual franchise tax return as applicable by State of Texas or any other state
- Prepare the annual Public Information Report to be filed with the annual Franchise Tax Return.

**FIRM'S RESPONSIBILITY**

We will not audit or otherwise verify the data you, the client, submit, although we may ask you to clarify some of it. We will resolve questions involving application of tax rules in your favor, if there is reasonable justification for it. We will be available to answer your inquiries on specific tax matters and to consult with you on income and estate planning. We agree to provide conscientious, competent and diligent services and at all times will seek to achieve solutions that are just and reasonable for you. However, because of the uncertainty of legal proceedings, the interpretation and changes in the law and many unknown factors, Accountants cannot and do not warrant or guarantee results or the final outcome of any case.

**CLIENT'S RESPONSIBILITY**

To the best of your, the client's, knowledge, all the information submitted to us is correct and includes all income, deductions and other information necessary for the preparation of the above returns. You, the client, are responsible for keeping contemporaneous records of your business expenses and business and personal use of any property used by you during the period covered by the above return. Your returns are, of course, subject to review by the taxing authorities. Any items resolved against you by the examining agent are subject to certain rights of appeal. In the event of an examination, we will be available to represent you and will charge you for these additional services. Client shall be responsible for all reasonable legal fees and other costs incurred in any required collection proceedings.

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and information concerning your company and personal records.

1. Copies of basic documents reflecting your financial transactions, including check stubs, summaries of cash receipts and sales (cash and charge), bank statements and canceled checks, listings of accounts receivable and accounts payable, if applicable, and documentary support of property and equipment transactions – purchases, trades, sales, and other dispositions;
2. Information concerning any mortgage or pledge of business assets on business debts, any personal guarantees or debt, leases, or other information that effects or may affect the results of operations of the business;
3. Any other financial information necessary for purpose of reflection on your accounting records, trial balance and tax returns.
4. Identification of all cash receipts as to source (i.e. loans, sales, etc.) and information concerning all transactions that are consummated with cash.

Any failure to provide access to such documents and information, will impede our service and production of financial records. You agree to accept responsibility for any effect on your accounting records and financial statements of basic financial information or transaction documents not submitted to us for processing and entry, or losses that may result from their absence.

Client agrees that these documents (working documents) should be forwarded to our office on a periodic basis, such as monthly, as this will enable us to provide you with a current, meaningful

and useful financial statements. Client agrees that Denise Edwards dba BTP has authorization to obtain applicable records via online access. Client understands that all passwords and access codes are kept confidential and secure. Any and all documents provided by client are owned by client and will be returned once processed within the office, i.e. scanned and/or copied. Any and all documents (hard copies or electronic copies), software files, data files, etc. are owned by Denise Edwards dba BTP. Any files, software or data files created by and thereafter released by Denise Edwards dba BTP shall be owned by Denise Edwards dba BTP and shall only be released for review by your outside review specialist(s) or a taxing authority and such records shall not be copied in a way to allow a third party to use such files for providing the services as provided hereunder.

Right to Terminate: Either party may terminate this relationship at any time by any form of written notification including email, 30 day notice will be given and appreciated.

The information contained in this agreement is privileged and confidential information intended for the use of the individual or entity named above.

#### **RETENTION POLICY:**

It is our policy to keep work papers related to the engagement for four years. When records are returned, it is your responsibility to retain and protect them for future use, potential examination by any government or regulatory agency, prospective buyers of your business, acquiring business loans, etc.

#### **FEE POLICY:**

All invoices are due and payable upon presentation. Billings become delinquent if not paid within 15 days of the invoice date. If billings are past due in excess of 45 days, we will stop all work until your account is brought current, or you withdraw from the engagement. The client acknowledges and agrees that we are not required to continue work in the event of failure to pay on a timely basis for services rendered as required by this engagement letter. The client further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the client's failure to pay on a timely basis for services rendered as required by this engagement letter, DENISE EDWARDS DBA Bookkeeping & Tax Professionals. shall not be liable for any damages that occur as a result of ceasing to render services. If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. All parties shall share the costs of any mediation proceeding equally.

#### **Complete Agreement:**

This letter, consisting of four pages, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provisions of this letter is determined to be

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unenforceable, all other provisions shall remain in force. If you have any questions or concerns, regarding this engagement letter or desired services, please contact us.

Sincerely,



Denise Edwards

By signing below, I approve of the foregoing and personally and individually, without regard to the legal benefits of any legal entity other than that of an individual person, personally guarantee, as an individual, the payment of any fees invoiced to the individual (s), corporations(s), partnerships(s), limited liability corporation(s), company(s), trust(s), and / or other legal entities listed above. The undersigned waives presentments, protest, demand and notice of disclosure or default in connection with this Guaranty and any payments by the Customer under any Agreement, and the individual(s) expressly recognizes that this Guaranty creates a personal obligation. This Guaranty will bind my/our heirs, representatives and successors.

Company Name: \_\_\_\_\_

By: \_\_\_\_\_  
Owner Name – Guarantor of Payment

Date: \_\_\_\_\_

\_\_\_\_\_  
Name:  
Guarantor of Payment

Date: \_\_\_\_\_